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State official on stump for ESOP initiatives

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By Jane Huh Post-Tribune staff writer

State Treasurer Richard Mourdock is spreading the word about the state's Employee Stock Ownership Plan initiative, as a "great vehicle to promote wealth within working people."

He visited a Portage business Tuesday to look at how a longer-term, employee-owned business worked.

Last month, the treasurer's office unveiled the program creating a \$50 million fund as a program through his office.

Mourdock said the idea for the statewide program was driven by his personal observation that "Americans save so little money.

"We need to generate a way to save more money," he said.

The initiative is designed to offer banks incentives to loan to companies that want to transition to employee ownership.

But, he cautioned, companies that are failing, likely will not have a successful employee-ownership transition.

"ESOPs don't guarantee success," he said.

G.W. Berkheimer, an employee-owned business in Portage, however, has not had any layoffs since it became employee owned in the 1980s.

The company at 6000 S. Port, supplies air conditioning, heating and refrigeration services to contractors.

Mourdock said the ESOP program offers a "way of creating wealth for employees, stronger Indiana companies and retaining Indiana jobs."

No group of employee-owners has ever moved their business out of the country, he said. In addition, those businesses garner a higher return in equity and investment.

There are about 80 ESOP companies in the state, Mourdock said.

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